

**BEFORE THE TENNESSEE REGULATORY AUTHORITY**

**NASHVILLE, TENNESSEE**

**December 3, 2002**

**IN RE:**

**ATMOS ENERGY CORPORATION WEATHER  
NORMALIZATION ADJUSTMENT AUDIT**

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)  
) **DOCKET NO.**  
) **02-00798**  
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**ORDER ADOPTING WNA AUDIT REPORT OF THE ENERGY AND WATER  
DIVISION OF THE TENNESSEE REGULATORY AUTHORITY**

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This matter came before Chairman Sara Kyle, Director Deborah Taylor Tate, and Director Ron Jones of the Tennessee Regulatory Authority (the "Authority"), the voting panel assigned to this docket, at a regularly scheduled Authority Conference held on October 21, 2002, for the consideration of the audit findings of the Authority's Energy and Water Division (the "Staff") after review of Atmos Energy Corporation's ("Atmos" or the "Company") Weather Normalization Adjustment ("WNA") for the period November 1, 2001 through April 30, 2002. The WNA Audit Report (the "Report"), attached hereto as Exhibit A and incorporated in this Order by this reference, reports one (1) finding for the audit period under review. The Report was filed on September 30, 2002.

The finding is that Atmos used inaccurate actual heating degree-days in the calculation of the WNA factor. The Report states that the Company's error rate in calculating the WNA factor was thirty-five percent (35%), and the net result of the actual degree-day errors is that the Company's customers were overcharged \$124,549. The Company's response to this finding is that the Company has terminated its weather services contract with Surface Systems, Inc. and has

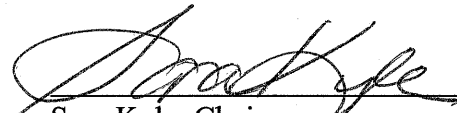
executed a new contract with the Company's previous provider, WeatherMarkets. The Staff recommends in the Report that the Company include the over-collection in its next Refund Due Customers filing with the Authority.

The Report states that notwithstanding the materiality of this finding, the errors were easily explained and the Company has taken appropriate steps to correct the problem. As stated in the Report, the Staff concludes that Atmos is correctly implementing the mechanics of the WNA Rider as specified by the Authority and included in the Company's tariff.

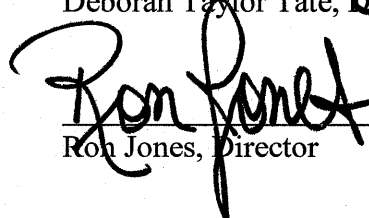
After consideration of the WNA Audit Report, the voting panel unanimously approved the findings and conclusion contained therein.

**IT IS THEREFORE ORDERED THAT:**

1. The WNA Audit Report, a copy of which is attached to this order as Exhibit A, is approved and adopted, including the findings and conclusions contained therein, and is incorporated in this Order as if fully rewritten herein; and
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from the date of this Order.

  
Sara Kyle, Chairman

  
Deborah Taylor Tate, Director

  
Ron Jones, Director